MHLONTLO LOCAL MUNICIPALITY

FINAL ANNUAL BUDGET 2017/2018 AND MTREF

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MAYORAL SPEECH

It is a gratitude to present 2017/18 budget to the Council of Mhlontlo Local Municipality and the observers entirely. The budget prepared by the Municipality is in line with all the legislative imperatives that the state organs are obliged to consider. It is also important to highlight that this budget follows all national economic policies and other provincial strategies. These include National Development Plan, Provincial Development Plan as well as District ones.

It is a well-known fact that Mhlontlo Local Municipality has been, throughout the last financial years, experienced financial constraints which had an adverse impact on service delivery. The Municipality will also hit hard by a decrease on grant allocations for the upcoming year.

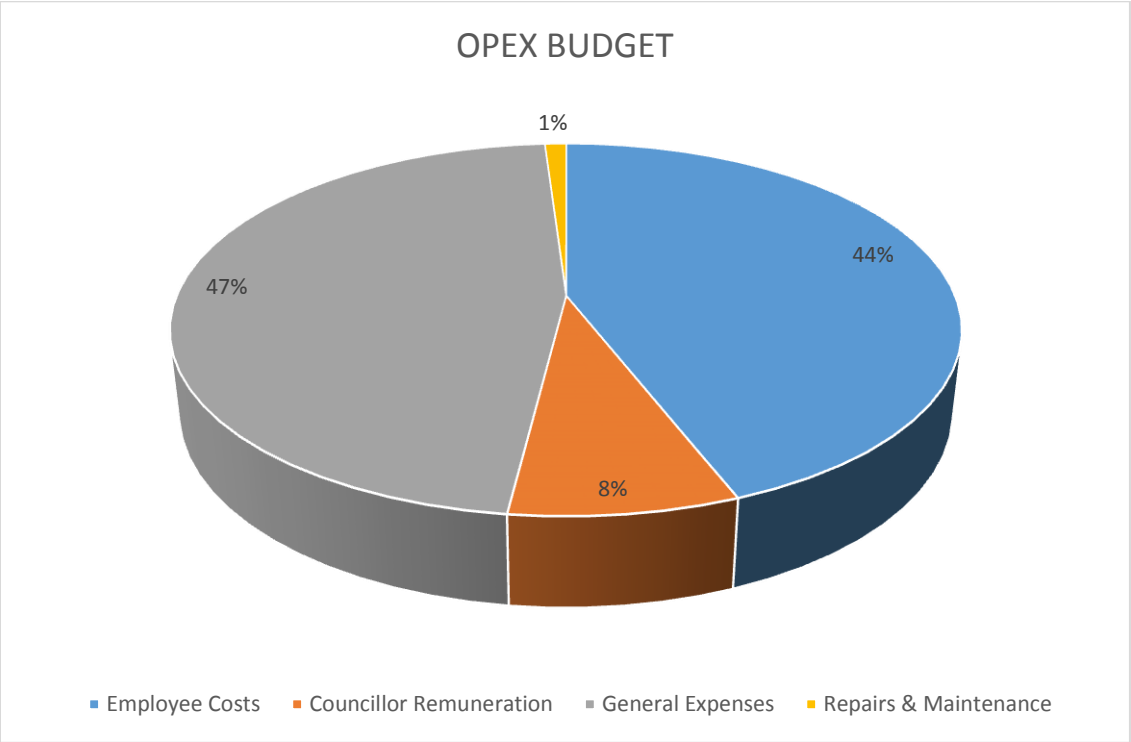
Mhlontlo Local Municipality leadership supported by administration managed to survive using all tactics with potential to recover and have a stable situation. Among the strategies and tactics employed by the municipality, curtailment of expenditure usually incurred on items regarded as not mandatory was key to address matter. It is commendable that both politicians and employees had an understanding that significantly contributed to the improvement of the situation.

As we present budget for this financial year, there is a hope that communities of Mhlontlo will understand meagre resources the Municipality has. The national fiscus greatly contributes to the coffers of the Municipality, and there is very little that is raised out of our own revenue.
The Municipality is implored to effectively utilise the current plans, strategies and policies designed to collect revenue.

The following reflects the Municipality's total budgeted amount according to sources. Total Budget is R256 198 066, as compared to last financial year's budget of R281 432 619. An amount of R 222 300 000 is from grants, and there is very little own revenue that the Municipality manages to contribute to the budget, which is R33 904 581.

FOCUS OF THE 2017/2018 BUDGET

- With the 2017/2018 budget, emphasis is placed on the core service delivery obligations assigned to the municipality in the constitution.
- Maintenance of existing infrastructure enjoys preference once again and we are focusing on preventative and scheduled maintenance preceded by proper planning processes.
- Provision of basic services, improvement on refuse collections, infrastructure as well as sustainable service delivery.



REVENUE BUDGET

The major sources of revenue can be summarized as follows:

Assessment Rates	R9 130 346.56
Refuse charges	R 1 314 839.57
Government Grants	R 222 300 000
Other Income	R 18 870 735.12

TARIFFS

It is of essence that the financial viability and sustainability of the municipality is secured and therefore the principle of economic viability and sustainability was applied in the tariff determination for the 2017/2018 financial year. The aim of the tariff determinations is to ensure that all services can be run as a going concern on an independent and sustainable manner.

I find it necessary to point out that the current tariffs are not sufficient to ensure the sustainability of services and we would need to emphasize the implementation of cost reflective tariffs, essential for the economic viability of the municipality in the concurrent financial years.

The proposed average increase in the main tariff categories for the 2017/2018 financial year is as follows:

Assessment Rates 6.4%

Refuse Removal 6.4%

There has been a significant decrease on rates income because of the implementation of the ministers 1:0,25 ration on government properties.

CAPITAL BUDGET

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders and communities through a public participation process as well as ward committee processes where applicable.

The capital budget for the 2017/2018 financial year amounts to R 42 597 407 with the main focus on the following:

- Qumbu Street Surfacing R 2 000 000.00
- Tsolo Street Surfacing R 18 000 000.00
- Construction of Ngqakaqheni Bridge R 5 849 000.00
- Rehabilitation of Mvumelwano sport field R 11 451 000.00
- Tsolo Highmast lights R 3 700 000.00
- Construction of Qumbu Townhall and municipal offices R 1 500 000.00
- Upgrade of IT Infrastructure R 506 570.40
- Installation of Cameras R 39 000.00
- Office Furniture R 619 141.60

EC156 Mhlontlo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - MAYOR'S OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 2 - COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 3 - MUNICIPAL MANAGER'S OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 4 - STRATEGIC SERVICES OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 5 - BUDGET & TREASURY OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES DIRECTORATE		–	–	–	–	–	–	–	–	–	–
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 9 - INFRASTRUCTURE SERVICES DEPARTME		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure ***to be appropriated***	2										
Vote 1 - MAYOR'S OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 2 - COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 3 - MUNICIPAL MANAGER'S OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 4 - STRATEGIC SERVICES OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 5 - BUDGET & TREASURY OFFICE		–	–	–	–	–	–	–	507	535	565
Vote 6 - CORPORATE SERVICES DIRECTORATE		–	–	–	–	–	–	–	634	670	708
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	39	41	44
Vote 9 - INFRASTRUCTURE SERVICES DEPARTME		–	–	–	–	–	–	–	56 500	59 721	63 065
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	–	–	–	–	–	–	**57 680**	**60 967**	**64 382**
Total Capital Expenditure - Vote		–	–	–	–	–	–	–	**57 680**	**60 967**	**64 382**
Capital Expenditure - Functional											
Governance and administration		–	–	–	–	–	–	–	**1 141**	**1 206**	**1 273**
Executive and council											
Finance and administration									1 141	1 206	1 273
Internal audit											
Community and public safety		–	–	–	–	–	–	–	**39**	**41**	**44**
Community and social services											
Sport and recreation											
Public safety									39	41	44
Housing											
Health											
Economic and environmental services		–	–	–	–	–	–	–	**56 500**	**59 721**	**63 065**
Planning and development											
Road transport									56 500	59 721	63 065
Environmental protection											
Trading services		–	–	–	–	–	–	–	–	–	–
Energy sources											
Water management											
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	–	–	–	–	–	–	–	**57 680**	**60 967**	**64 382**
Funded by:											
National Government									57 680	60 967	64 382
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	–	–	–	–	–	–	–	**57 680**	**60 967**	**64 382**
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	–	–	–	–	–	–	–	**57 680**	**60 967**	**64 382**

OPERATING BUDGET

The operating budget for the 2017/2018 financial year amounts to R 212 572 354.

The maintenance budget for the upcoming financial year amounts to R 2 206 014.74 which represents 2% of the total operating expenditure.

A 7.36% increase across the board general salary increase is budgeted for both councillors and employees.

The total salary expenditure excluding remuneration of councillors amounts to R 93 660 851.36 and represents 44% of the total budgeted expenditure. The remuneration of public office bearer's amounts to R 16 833 379.44 and represents 8% of the total operating budget.

EC156 Mhlontlo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	9 130	9 651	10 191
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	1 315	1 390	1 468
Service charges - other									–	–	–
Rental of facilities and equipment									41	44	46
Interest earned - external investments									483	511	539
Interest earned - outstanding debtors									4 064	4 296	4 536
Dividends received									–	–	–
Fines, penalties and forfeits									3 300	3 489	3 684
Licences and permits									–	–	
Agency services									–	–	–
Transfers and subsidies									163 311	172 620	182 286
Other revenue	2	–	–	–	–	–	–	–	167	177	187
Gains on disposal of PPE									15 397	16 274	17 186
Total Revenue (excluding capital transfers and contributions)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**197 209**	**208 450**	**220 123**

EC156 Mhlontlo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type											
Employee related costs	2	–	–	–	–	–	–	–	65 339	69 064	72 931
Remuneration of councillors									17 010	17 980	18 987
Debt impairment	3								–	–	–
Depreciation & asset impairment	2	–	–	–	–	–	–	–	14 336	15 153	16 001
Finance charges									–	–	–
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8								–	–	–
Contracted services		–	–	–	–	–	–	–	21 217	22 426	23 682
Transfers and subsidies		–	–	–	–	–	–	–	160	169	178
Other expenditure	4, 5	–	–	–	–	–	–	–	47 138	49 825	52 615
Loss on disposal of PPE									–	–	–
Total Expenditure		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**165 200**	**174 616**	**184 395**
Surplus/(Deficit)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**32 009**	**33 834**	**35 728**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									58 989	62 351	65 843
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**90 998**	**96 185**	**101 572**
Taxation											
Surplus/(Deficit) after taxation		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**90 998**	**96 185**	**101 572**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**90 998**	**96 185**	**101 572**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**90 998**	**96 185**	**101 572**

INDIGENT SUBSIDY

Provision is made in the operating budget for the subsidizing of the indigent households. The subsidy includes 50 units of electricity as well as a 100% subsidy on the refuse, 100% on assessment rates. The indigent policy provides for assistance to be given to households with a monthly income of less than twice the government pension.

The total budget for Indigent subsidies amounts to R 4 601 882.36 for the 2017/2018 financial year.

Free Basic Electricity	R1 915 200.00
Free Alternative Energy	R2 686 682.36

INTEGRATED DEVELOPMENT PLAN (IDP)

The IDP for the next five years is also presented today for approval. We are proud of our IDP which discusses a variety of topics such as the economic welfare of the community of Mhlontlo, our financial situation as well as our projects that our planned for the next year. The IDP includes a comprehensive project register which indicates both funded and unfunded projects. The IDP and budget is linked with each other and the linkage is illustrated in the budget document. The IDP and budget tries to address service delivery backlogs which needs priority. The municipality's strategic objectives and also the national priorities are clearly indicated in the document.

EC156 Mhlontlo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
SOUND FINANCIAL MANAGEMENT	To develop and fully implement a Revenue Enhancement and Management Strategy									256 198	270 801	285 966
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	256 198	270 801	285 966

EC156 Mhlontlo - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Public participation	Ensure meaningful effective stakeholder participation in municipal IDP and Budget processes.									1 776	1 877	1 982
Local economic development	Ensure rapid growth and development of strategic economic sectors									2 900	3 065	3 237
Local economic development	Reduce by a quarter the unemployment rate and the number of people living in poverty by 2020									1 064	1 125	1 188
Local economic development	Retain, grow and attract new investments linked to the strategic economic sectors									564	596	630
Public participation	Strengthen alignment of sector department programmes and the municipal IDP									697	737	778
Institutional Capacity Building and Transformation	To align institutional policies and systems with best practise in local government									786	830	877
BASIC SERVICE DELIVERY	To construct 27 high mast and street lights									173	183	193
BASIC SERVICE DELIVERY	To construct 7km surfaced roads.									11 861	12 537	13 239
BASIC SERVICE DELIVERY	To construct and maintain arts, culture and sporting facilities in all wards									134	141	149
SOUND FINANCIAL MANAGEMENT	To develop and fully implement a Revenue Enhancement and									315	333	352
Public participation	To develop and implement municipal by-laws									7	7	8
BASIC SERVICE DELIVERY	To eliminate electricity backlogs (6 000 households)									188	199	210
Institutional Capacity Building and Transformation	To ensure adequate availability of critical ICT Infrastructure in line with ICT									11 945	12 625	13 332
Public participation	To ensure clean and effective and efficient governance and administration									3 591	3 795	4 008
Social Services and Infrastructure	To ensure construction of 4 new libraries and maintenance of existing ones									581	614	649
SOUND FINANCIAL MANAGEMENT	To ensure credible budgeting and proper financial reporting in line with relevant legislation									9 298	9 828	10 379
Waste Management	To ensure full compliance with waste management laws and regulations									5 497	5 810	6 136

EC156 Mhlontlo - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
SOUND FINANCIAL MANAGEMENT	To ensure monthly collection rate of 60% of billed revenue by 2021									3 299	3 487	3 682
BASIC SERVICE DELIVERY	To ensure that all indigent people have access to free basic electricity (FBE)									5 070	5 359	5 659
SOUND FINANCIAL MANAGEMENT	To ensure that assets are managed and utilised in line with relevant policies and									24	25	27
Local economic development	To ensure well maintained municipal buildings									1 507	1 593	1 682
Local economic development	To facilitate construction of low and middle income housing									2 122	2 243	2 369
BASIC SERVICE DELIVERY	To maintain 100km of access and urban roads annually									6 005	6 347	6 702
Institutional Capacity Building and Transformation	To promote a health and wellness culture among Councillors and municipal									316	334	352
Social Services and Infrastructure	To promote the interests of special and vulnerable groups									857	905	956
Social Services and Infrastructure	To provide adequate pound and cemeteries management service									946	1 000	1 056
Institutional Capacity Building and Transformation	To review and maintain an IDP-aligned organisational structure									85 708	90 594	95 667
Social Services and Infrastructure	To coordinate effective implementation of the safety and security plan									7 972	8 426	8 898
Social Services and Infrastru	To provide adequate pound											
Institutional Capacity Buildi	**To review and maintain an IDP-align**		1	–	–	–	–	–	–	**165 200**	**174 616**	**184 395**

SDBIP (SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN)

The top level service delivery and budget implementation plan is attached herewith and is an indication of service delivery targets that is set for the 2017/2018 financial year. Emphasis is placed on sustaining and improving service delivery levels and extending services to all our communities.

IN CONCLUSION

The budget submitted here today have been taken through a process of public participation to obtain input from all role players. Input obtained has been considered and where possible incorporated into the final budget.

I THANK U

N. Dywili

MAYOR

COUNCIL RESOLUTION

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the draft Annual budget of Mhlontlo Municipality for the financial year 2017/18; and indicative allocations for the two projected outer years 2018/19 and 2019/20; and the multi-year and single year capital appropriations are approved as set-out in the following tables:

    1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
    1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
    1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
    1.4. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:

    2.1. Budgeted Financial Position;
    2.2. Budgeted Cash Flows;
    2.3. Cash backed reserves and accumulated surplus reconciliation;
    2.4. Asset management; and
    2.5. Basic service delivery measurement.

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act 32 of 2000 as amended, the tariffs for property rates and refuse removal as set out in annexure A, that were used to prepare the estimates of revenue by source, are approved with effect from 1 July 2017.

4. That in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) the tariffs for other services, as set out in Annexure A, that were used in compiling the final budget, are approved with effect from 1 July 2017

5. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are approved.

6. That free basic services be provided to all registered indigent consumers ***only*** as follows:

    - The first 50 units of electricity free of charge
    - Refuse removal - full subsidy of single residential monthly levy and town cleaning levy
    - Property rates 100% subsidy
    - Alternative Energy 20l
    -

7. That interest be charged on all debtors accounts outstanding for a period of more than 30 days at the prevailing prime interest rate of 5% charged by the Municipality's Banker.

8. That in terms of the provisions of ***Section 75A*** of the Municipal Systems Act, 32 of 2000, the notice of the tariff amendments be displayed on notice boards at all municipal offices, libraries, and be advertised in local newspapers.

9. That in terms of the provisions of the Municipal Property Rates Act, (Act 6 of 2004) the remissions be granted to property owners in terms of the provisions of the municipal rates policy subject to the conditions contained in said policy

10. That the amount due in respect of annual assessment rates for the 2017/2018 be due and payable on or before 30 September 2017.

11. That the amount due in respect of monthly Assessment rates and other service, basic and consumption charges, fees and penalties be due and payable on or before the following dates: 15 July 2017, 15 August 2017, 15 September 2017, 15 October 2017, 14 November 2017 , 15 December 2017, 15 January 2018, 13 February 2018, 13 March 2018, 15 April 2018, 15 May 2018, 15 June 2018.

12. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the amendments to the rates policy as indicated are approved with effect 1 July 2017

13. That in terms of the municipal budget and reporting regulations, paragraph 7, the amendments to the budget policies, as indicated, are approved with effect 1 July 2017

14. That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the final IDP for 2017/18 – 2021/22 be approved.

15. That the final documents be available for inspection and comments at the following places: Qumbu Municipal office and Tsolo Municipal Office

Honourable Cllr Jara

Speaker of the Council

CHAPTER 3

EXECUTIVE SUMMARY

MHLONTLO LOCAL MUNICPALITY

BUDGET FOR THE 2017/2018 FINANCIAL YEAR

ACCOUNT DESCRIPTION	Original Budget 2016/17	Adjusted Budget 2016/2017	2017/18	2018/19	2019/2020
REVENUE BY SOURCE					
Property rates	**-15 662 647.52**	**-33 772 278.51**	**-9 130 346.56**	**-35 866 159.78**	**-37 982 263.20**
Assessment Rates - Business	-2 332 397.12	-5 115 378.97	-5 419 906.41	-5 432 532.47	-5 753 051.88
Assessment Rates - Residential	-2 488 307.29	-2 485 600.57	-2 632 506.82	-2 639 707.81	-2 795 450.57
Assessment Rates - Government	-10 584 722.25	-26 004 164.34	-1 077 933.33	-27 616 422.53	-29 245 791.46
Assessment rates- Farms	-257 220.85	-167 134.63	0.00	-177 496.98	-187 969.30
Service charges - refuse revenue	**-1 220 294.07**	**-1 274 820.60**	**-1 314 839.57**	**-1 353 859.48**	**-1 433 737.19**
Refuse Charges - Business	-338 983.20	-365 981.76	-359 322.16	-388 672.63	-411604.3142
Refuse Charges - Households	-788 636.29	-795 509.66	-817 897.52	-844 831.26	-894676.3
Refuse Charges - Government	-92 674.58	-113 329.18	-137 619.89	-120 355.59	-127456.5721
Interest earned - outstanding debtors	**-216 306.36**	**-598 930.92**	**-483 329.50**	**-636 064.64**	**-673 592.45**
Property rates-Interest billed	0.00	-454 257.05	-483 329.50	-482 420.99	-510883.8269
Old Balances-Interest billed	0.00	0.00	0.00	0.00	0
Refuse: Interest Billed	-216 306.36	-144 673.87	0.00	-153 643.65	-162708.6237

Interest earned - external investments	**-3 564 098.31**	**-3 819 623.64**	**-4 064 079.55**	**-4 056 440.31**	**-4 295 770.28**
Interest On Invest-Current A/C	-844 204.18	-302 403.41	-321 757.23	-321 152.42	-340100.4159
Interst On Investments	-2 719 894.13	-3 517 220.23	-3 742 322.32	-3 735 287.88	-3955669.868
Rental of facilities and equipment	**-45 891.89**	**-38 769.72**	**-41 250.99**	**-41 173.45**	**-43 602.68**
Rental - Hall's	-45 891.89	-38 769.72	-41 250.99	-41 173.45	-43602.68038
Other revenue	**-17 443 232.94**	**-17 113 766.64**	**-18 870 735.12**	**-18 173 619.84**	**-19 245 139.78**
Sundries	0.00	-1 283 584.20	0.00	-1 361 966.08	-1441598.447
Valuation Copy	-582.46	0.00	0.00	0.00	0
clearance certificate	-630.97	-3 869.45	-4 117.10	-4 109.36	-4351.809505
Tender Fees	-17 445.45	-131 259.07	-139 659.65	-139 397.13	-147621.5631
	-14 021		-15 396		
Operating Reserves	792.55	-12 565 000.00	581.00	-13 344 030.00	-14131327.77
Business Licences	-6 929.65	-23 307.96	-24 799.67	-24 753.05	-26213.48368
Tsitsa Lodge	-535.98	0.00	0.00	0.00	0
Fines	-67 198.11	-54 968.57	-58 486.56	-58 376.62	-61820.84361
Enatis	-825 598.57	-1 035 724.66	-1 102 011.04	-1 099 939.59	-1164836.028
DLTC Leanerns and licenses	-1 508 676.56	-1 403 346.86	-1 493 161.06	-1 490 354.36	-1578285.27
Pound Fees	-210 614.27	-151 367.95	-161 055.50	-160 752.76	-170237.1743
Pound Sales	-763 696.79	-433 233.45	-460 960.39	-460 093.92	-487239.4606
Cemetery Fee - Burials	-18 575.59	-21 981.34	-23 388.15	-23 344.19	-24721.4931
Building Plans	-955.98	-6 123.14	-6 515.02	-6 502.77	-6886.435173

Transfers recognised - operational	**-171 486 777.83**	**-174 892 848.13**	**-185 479 000.05**	**-211 639 495.51**	**-259 085 917.85**
Equitable share	-154 912 999.30	-154 313 000.00	-159 379 000.05	-191 494 928.87	-237 755 135.83
Finance Management Grant	-2 010 000.00	-2 320 497.77	-2 345 000.00	-2 134 620.00	-2 260 562.58
Municipal Infrastructure Grant	-831 778.53	-2 082 996.00	-8 338 000.00	-883 348.80	-935 466.38
Electrification program	-12 500 000.00	-12 546 000.00	-14 000 000.00	-13 275 000.00	-14 058 225.00
Tsitsa Fire Management Grant	0.00	-500 000.00	0.00	-531 000.00	-562 329.00
Library	0.00	-350 000.00	0.00	-371 700.00	-393 630.30
EPWP	-1 232 000.00	-1 232 000.00	-1 417 000.00	-1 308 384.00	-1 385 578.66
LED	0.00	0.00	0.00	0.00	-
LG Seta	0.00	-548 354.36	0.00	-578 513.85	-610 332.11
DEDEAT Grant	0.00	-1 000 000.00	0.00	-1 062 000.00	-1 124 658.00

Total Revenue (excluding capital transfers and contributions)	**-209 639 248.92**	**-231 511 038.17**	**-219 383 581.35**	**-271 766 813.00**	**-322 760 023.44**

EXPENDITURE BY TYPE

Employee related costs	**104 457 706.08**	**106 661 977.62**	**110 494 230.80**	**125 085 074.25**	**151 370 960.49**
Salaries	56 935 945.39	60 811 690.10	65 562 491.95	74 356 587.21	94 368 305.44
Annual Bonus	3 530 551.96	3 885 939.25	4 074 408.80	4 231 355.80	4 712 404.39
Allowance - Housing	3 068 284.80	2 566 097.08	2 234 028.48	2 758 405.98	3 023 063.33

	18 838		11 802		
Allowance – Travel	376.12	16 213 240.11	435.28	17 670 355.12	19 351 169.59
Casual Labour	1 232 000.00	1 293 805.83	1 376 416.03	1 372 689.67	1 453 592.42
Contributions - Pension Fund	7 386 650.06	8 013 348.31	8 800 565.89	8 744 431.54	9 760 726.30
			10 637		
Contributions - Medical Aid	8 814 617.28	4 783 114.36	508.00	5 498 866.36	5 982 629.96
Allowance - Standby	389 944.15	398 084.34	244 350.88	323 156.24	342 114.75
Allowance - Cellphone	2 281 981.20	2 467 191.60	2 436 290.83	3 372 204.39	4 782 197.98
Unemployment Insurance Fund	368 742.88	408 477.93	410 467.20	439 351.97	483 458.50
Levy - Skills Development [SETA]	603 048.32	489 607.90	477 326.95	528 808.73	583 193.46
Bargainig Council Levy	209 502.00	215 006.74	189 221.60	233 854.97	254 781.48
Backpay	-	411 927.52	440 478.08	617 334.12	967 336.54
WCA	798 061.92	970 844.06	988 194.42	1 062 239.02	1 186 186.86
Overtime	-	2 485 151.16	565 222.55	2 646 832.36	2 819 289.96
Shift Allowance	-	361 238.25	254 823.86	383 635.02	406 269.48
Leave provision	-	887 213.08		844 965.78	894 240.07

	56 972		**57 834**		
General expenses	**551.90**	**51 955 703.49**	**825.63**	**67 765 420.55**	**86 665 387.91**
Accounting Fees	-	322 978.82	343 649.46	343 003.50	363 240.71
Advertising	347 049.04	522 137.54	2 216 397.38	480 034.37	508 989.88
Animal control	53 124.45	754.29	802.56	801.05	848.31
Animal Feed	250 000.00	173 447.14	184 547.76	184 200.87	195 068.72
Arrive alive campaign	-	-	-	-	-
Audit committee	190 836.00	224 363.04	238 722.27	202 667.83	214 625.23
Bank Charges	144 576.28	130 166.54	138 497.20	138 236.86	146 392.84
Car wash	1 448.57	582.86	620.16	944.23	1 501.32

Accomodation	4 724 743.64	4 018 129.55	3 819 009.13	5 047 574.53	6 794 635.66
Cemetery administration expenses	-	354 000.00	376 656.00	375 948.00	398 128.93
Tsitsa Fire Management Grant	-	500 000.00	-	531 000.00	562 329.00
Conference & serminars	108 951.38	-	50 000.00	110 226.45	116 729.81
DEDEAT Grant	-	600 000.00	638 400.00	637 200.00	674 794.80
Crime Prevention	-	250 000.00	266 000.00	265 500.00	281 164.50
Electricity	1 174 104.00	931 855.94	991 494.72	983 108.01	1 037 178.95
Entertainment	2 744 852.63	1 913 438.90	2 004 374.91	2 927 537.42	4 457 931.97
EPWP Program	1 800 000.00	1 800 000.00	3 332 200.00	1 911 600.00	2 024 384.40
FMG Interns	1 800 000.00	1 800 000.00	1 915 200.00	1 911 600.00	2 024 384.40
Free Basic Electricity	1 536 000.00	2 525 077.41	2 686 682.36	2 681 632.20	2 839 848.50
Free Basic Energy	2 696 841.90	-	-	-	-
Fuel & oil	1 239 074.73	2 325 117.65	2 473 925.18	2 586 242.98	2 919 150.76
Hire Charges - Equipment & Vehicles	1 565 690.97	1 235 112.90	1 234 996.92	1 756 426.03	2 507 503.86
Air Transport	317 313.55	143 358.03	143 252.94	174 688.13	193 907.78
HIV & AIDS	269 464.00	269 464.00	286 709.70	436 531.68	694 085.37
Indigent support	179 756.25	179 756.00	191 260.38	190 900.87	202 164.02
Insurance	590 348.33	222 598.50	236 844.81	236 399.61	250 347.19
Interest Expense	-	857.14	912.00	910.29	963.99
Legal Costs	7 572 703.53	4 623 783.68	4 919 705.84	8 042 211.15	8 516 701.61
Library assistant	-	350 000.00	372 400.00	371 700.00	393 630.30
License and Registration Fees	144 000.00	144 000.00	153 216.00	152 928.00	161 950.75
Licenses and software	1 056 940.00	939 622.49	999 758.33	991 301.73	1 045 823.32
Material and stores: Cleaning Materials	200 000.00	257 579.91	274 065.03	271 746.81	286 692.88
Mayoral outreach	735 000.00	606 291.12	645 093.75	643 881.17	681 870.16
Medicine	77 695.20	857.14	912.00	910.29	963.99
Membership Fees	28 521.13	132 021.06	140 470.40	152 570.84	205 812.41

Network & hardware support	400 000.00	67 200.00	71 500.80	71 366.40	75 577.02
Newspapers	4 176.00	-	-	-	-
Pauper Burial	-	50 000.00	53 200.00	53 100.00	56 232.90
Postage	633.69	795.50	846.41	844.82	894.66
Pound Claims	-	7 302.86	7 770.24	7 755.63	8 213.22
Printing & stationery	773 536.04	1 209 667.54	1 278 090.11	1 342 374.96	1 506 326.80
Protective clothing	1 724 200.00	1 302 225.07	1 385 567.47	1 382 210.80	1 463 307.76
Public Participation	1 492 828.57	1 088 247.82	1 157 895.68	1 791 580.86	2 833 416.67
Rates Rebate	3 562 831.56	361 930.44	385 093.99	384 370.13	407 047.96
Consumables & Beverages	6 912.00	765.09	814.05	1 239.44	1 970.71
Refuse bags	357 000.00	657 000.00	699 048.00	697 734.00	738 900.31
Registering Authority	114 264.00	195 254.23	207 750.50	207 359.99	219 594.23
SAGRIPP	-	1 752 402.86	3 204 000.00	1 861 051.83	1 970 853.89
Salga Levies	1 464 683.11	838 420.00	892 078.88	884 533.10	933 182.42
Special Programs - Children	220 150.00	220 150.00	234 239.60	356 643.00	567 062.37
Special Programs - Disabled	438 448.00	438 448.00	466 508.67	710 285.76	1 129 354.36
Special Programs - Women	233 174.00	279 888.29	297 801.14	427 352.45	653 147.18
Special Programs - Youth	368 875.00	368 875.00	392 483.00	597 577.50	950 148.23
Sport, recreation, arts and Culture and Libraries (asisstance)	740 000.00	690 000.00	734 160.00	732 780.00	776 014.02
SPU-Elderly	351 016.00	351 016.00	373 481.02	568 645.92	904 147.01
Strategic Planning	1 300 000.00	1 200 000.00	1 276 800.00	1 944 000.00	3 090 960.00
Telephone	3 160 150.73	2 760 150.73	2 936 800.38	2 911 959.02	3 072 116.77
Tools & Equipment (miscelleneous)	113 895.81	105 152.80	111 882.58	111 983.33	119 091.36
Tourism Route	408 500.00	483 865.27	-	513 864.92	544 182.95
Traditional leaders support	226 400.00	226 400.00	240 889.60	366 768.00	583 161.12
Training costs	535 000.00	1 915 275.00	1 941 800.00	2 868 747.05	4 326 961.63

Training of Ward Committees	-	500 000.00	532 000.00	810 000.00	1 287 900.00
Travelling & Subsistence	1 036 841.80	997 919.37	876 586.33	1 065 326.74	1 282 514.04
Ward committee Stipend	6 240 000.00	6 240 000.00	6 639 360.00	10 108 800.00	16 072 992.00
Ward committee burial	150 000.00	150 000.00	159 600.00	243 000.00	386 370.00
Consultant fees	**7 593 200.00**	**5 899 800.00**	**5 293 436.80**	**6 400 747.63**	**6 774 155.35**
Consulting	7 593 200.00	5 899 800.00	5 293 436.80	6 400 747.63	6 774 155.35
Audit fees	**4 074 035.29**	**3 574 035.29**	**3 802 773.55**	**3 795 625.48**	**4 019 567.38**
Audit fees- External	4 074 035.29	3 574 035.29	3 802 773.55	3 795 625.48	4 019 567.38
Contracted Services	**21 188 829.97**	**19 791 746.87**	**19 444 511.27**	**21 013 847.70**	**22 250 657.97**
Machine Rentals	1 574 304.00	712 497.87	758 097.74	751 685.26	793 027.95
Security Services	3 404 523.97	4 404 524.00	4 686 413.54	4 677 604.49	4 953 583.15
Electrification	12 500 000.00	12 500 000.00	14 000 000.00	13 275 000.00	14 058 225.00
Spatial Planning & Land Use Management	3 710 002.00	2 174 725.00	-	2 309 557.95	2 445 821.87
Debt impairment	**19 876 150.00**	**19 876 150.00**	**-**	**-**	**-**
Debt impairment	19 876 150.00	19 876 150.00	-	-	-
Depreciation & asset impairment	**14 708 194.41**	**14 368 689.35**	**13 496 561.49**	**15 259 548.09**	**22 347 777.21**

Depreciation	14 708 194.41	14 368 689.35	13 496 561.49	15 259 548.09	22 347 777.21
Repairs and Maintenance	**4 068 958.34**	**3 988 436.16**	**2 206 014.74**	**4 298 089.80**	**4 553 083.41**
Vehicles	545 363.37	407 028.51	285 260.56	494 763.90	525 439.06
Tools and Equipment	43 728.23	50 000.00	-	53 100.00	56 232.90
Equipment	52 553.21	50 118.08	53 325.64	53 096.38	56 151.28
Fencing of commonage	483 856.00	450 000.00	53 200.00	477 900.00	506 096.10
Landfill Site (Maintenance)	158 700.00	158 700.00	168 856.80	168 539.40	178 483.22
Plant & Machinery	438 457.53	705 150.27	750 279.89	748 869.59	793 052.90
Street & Access Roads	560 004.00	375 244.22	143 899.85	398 509.36	422 021.41
Material & Equipment for repairs	24 000.00	-	-	-	-
Street Lights & Highmust lights	762 300.00	699 428.57	744 192.00	742 793.14	786 617.94
Buildings	999 996.00	1 092 766.51	7 000.00	1 160 518.03	1 228 988.60
TOTAL OPERATING EXPENDITURE	**232 939 625.99**	**226 116 538.78**	**212 572 354.30**	**243 618 353.50**	**297 981 589.73**
Surplus/deficit	**23 300 377.06**	**-5 394 499.39**	**-6 811 227.06**	**-28 148 459.50**	**-24 778 433.71**
Transfers recognised - capital	-	-	-	-	-
Contributions recognised - capital	-40 828 221.47	-39 577 004.00	-40 451 000.00	-43 359 571.20	-45 917 785.90
Contributed assets	-	-	-	-	-

Surplus/(Deficit) after capital transfers & contributions	**-17 527 844.41**	**-44 971 503.39**	**-47 262 227.06**	**-71 508 030.70**	**-70 696 219.61**

CAPITAL EXPENDITURE	**49 340 772.58**	**54 441 080.83**	**43 625 712.00**	**57 333 713.01**	**60 708 142.27**
Vehicle	2 051 255.69	1 683 153.98	-	-	-
Purchase of Office Containers	-	-	-	-	-
Furniture & Office Equipment	632 204.00	691 250.11	619 141.60	719 737.16	759 746.04
Upgrade of IT Infrastructure	476 100.00	476 100.00	506 570.40	502 285.50	529 911.20
Market Stalls	-	2 670 317.14	-	2 835 876.81	3 003 193.54
LED Projects	4 125 000.00	-	-	-	-
Refuse Bins	211 600.00	211 600.00	-	224 719.20	237 977.63
Construction of sportsfield	15 626 884.00	5 021 263.00	7 651 000.00	20 843 750.81	22 073 532.11
Construction of access roads	18 880 551.47	24 210 917.03	31 149 000.00	22 327 747.66	23 645 084.77
Construction of buildings	2 400 302.42	12 324 180.57	-	4 636 634.63	4 906 401.02
Street Lights	4 936 875.00	7 152 299.00	3 700 000.00	5 242 961.25	5 552 295.96

NET SURPLUS/DEFICIT	**31 812 928.17**	**9 469 577.43**	**0.00**	**0.00**	**0.00**

EC156 Mhlontlo - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	–	–	–	–	–	–	–	9 130	9 651	10 191
Service charges	–	–	–	–	–	–	–	1 315	1 390	1 468
Investment revenue	–	–	–	–	–	–	–	483	511	539
Transfers recognised - operational	–	–	–	–	–	–	–	163 311	172 620	182 286
Other own revenue	–	–	–	–	–	–	–	22 970	24 279	25 638
Total Revenue (excluding capital transfers and contributions)	–	–	–	–	–	–	–	197 209	208 450	220 123
Employee costs	–	–	–	–	–	–	–	65 339	69 064	72 931
Remuneration of councillors	–	–	–	–	–	–	–	17 010	17 980	18 987
Depreciation & asset impairment	–	–	–	–	–	–	–	14 336	15 153	16 001
Finance charges	–	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	160	169	178
Other expenditure	–	–	–	–	–	–	–	68 355	72 251	76 297
Total Expenditure	–	–	–	–	–	–	–	165 200	174 616	184 395
Surplus/(Deficit)	–	–	–	–	–	–	–	32 009	33 834	35 728
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–	58 989	62 351	65 843
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	90 998	96 185	101 572
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	–	–	–	–	–	–	90 998	96 185	101 572
Capital expenditure & funds sources										
Capital expenditure	–	–	–	–	–	–	–	57 680	60 967	64 382
Transfers recognised - capital	–	–	–	–	–	–	–	57 680	60 967	64 382
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
Total sources of capital funds	–	–	–	–	–	–	–	57 680	60 967	64 382
Financial position										
Total current assets	–	–	–	–	–	–	–	41 757	56 519	75 540
Total non current assets	–	–	–	–	–	–	–	773 507	815 962	860 794
Total current liabilities	–	–	–	–	–	–	–	24 048	20 798	18 798
Total non current liabilities	–	–	–	–	–	–	–	–	–	–
Community wealth/Equity	–	–	–	–	–	–	–	791 216	851 683	917 536
Cash flows										
Net cash from (used) operating	–	–	–	–	–	–	–	65 936	69 487	73 066
Net cash from (used) investing	–	–	–	–	–	–	–	(51 841)	(54 796)	(57 864)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	–	–	–	–	–	–	–	15 095	29 787	44 989
Cash backing/surplus reconciliation										
Cash and investments available	–	–	–	–	–	–	–	22 565	34 707	50 658
Application of cash and investments	–	–	–	–	–	–	–	(284)	(2 275)	(4 531)
Balance - surplus (shortfall)	–	–	–	–	–	–	–	22 849	36 982	55 190
Asset management										
Asset register summary (WDV)	–	–	–	–	–	–	773 296	773 296	815 751	860 583
Depreciation	–	–	–	–	–	–	–	–	–	–
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–	–	5 700	5 700	6 025	6 362
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	4 657	4 657	4 922	5 198
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	0	0	0	0

EC156 Mhlontlo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
Governance and administration		–	–	–	–	–	–	**119 653**	**126 473**	**133 556**
Executive and council		–	–	–	–	–	–	43 323	45 793	48 357
Finance and administration		–	–	–	–	–	–	76 330	80 680	85 198
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	–	–	–	**4 384**	**4 634**	**4 894**
Community and social services		–	–	–	–	–	–	211	223	236
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	4 173	4 411	4 658
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	–	–	–	**97 727**	**103 297**	**109 082**
Planning and development		–	–	–	–	–	–	79 753	84 299	89 020
Road transport		–	–	–	–	–	–	17 974	18 998	20 062
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	**34 434**	**36 397**	**38 435**
Energy sources		–	–	–	–	–	–	14 000	14 798	15 627
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	20 434	21 599	22 808
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	–	–	–	–	–	–	**256 198**	**270 801**	**285 966**
Expenditure - Functional										
Governance and administration		–	–	–	–	–	–	**74 001**	**78 219**	**82 599**
Executive and council		–	–	–	–	–	–	28 808	30 450	32 155
Finance and administration		–	–	–	–	–	–	45 193	47 769	50 444
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	–	–	–	**5 463**	**5 774**	**6 097**
Community and social services		–	–	–	–	–	–	412	435	460
Sport and recreation		–	–	–	–	–	–	837	885	934
Public safety		–	–	–	–	–	–	4 214	4 454	4 703
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	–	–	–	**66 672**	**70 472**	**74 419**
Planning and development		–	–	–	–	–	–	29 411	31 088	32 829
Road transport		–	–	–	–	–	–	37 261	39 385	41 590
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	**19 064**	**20 151**	**21 279**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	19 064	20 151	21 279
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	–	–	–	–	–	–	**165 200**	**174 616**	**184 395**
Surplus/(Deficit) for the year		–	–	–	–	–	–	**90 998**	**96 185**	**101 572**

EC156 Mhlontlo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - MAYOR'S OFFICE		–	–	–	–	–	–	24 653	26 058	27 518
Vote 2 - COUNCIL		–	–	–	–	–	–	21 779	23 020	24 309
Vote 3 - MUNICIPAL MANAGER'S OFFICE		–	–	–	–	–	–	14 000	14 798	15 627
Vote 4 - STRATEGIC SERVICES OFFICE		–	–	–	–	–	–	–	–	–
Vote 5 - BUDGET & TREASURY OFFICE		–	–	–	–	–	–	57 358	60 627	64 022
Vote 6 - CORPORATE SERVICES DIRECTORATE		–	–	–	–	–	–	818	865	913
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	122 010	128 965	136 187
Vote 9 - INFRASTRUCTURE SERVICES DEPARTME		–	–	–	–	–	–	15 580	16 469	17 391
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**–**	**–**	**–**	**–**	**–**	**–**	**256 198**	**270 801**	**285 966**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - MAYOR'S OFFICE		–	–	–	–	–	–	18 415	19 465	20 555
Vote 2 - COUNCIL		–	–	–	–	–	–	21 230	22 440	23 697
Vote 3 - MUNICIPAL MANAGER'S OFFICE		–	–	–	–	–	–	8 715	9 212	9 728
Vote 4 - STRATEGIC SERVICES OFFICE		–	–	–	–	–	–	–	–	–
Vote 5 - BUDGET & TREASURY OFFICE		–	–	–	–	–	–	6 003	6 346	6 701
Vote 6 - CORPORATE SERVICES DIRECTORATE		–	–	–	–	–	–	16 872	17 833	18 832
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		–	–	–	–	–	–	9 163	9 685	10 227
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	51 151	54 067	57 095
Vote 9 - INFRASTRUCTURE SERVICES DEPARTME		–	–	–	–	–	–	33 651	35 569	37 561
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**–**	**–**	**–**	**–**	**–**	**–**	**165 200**	**174 616**	**184 395**
Surplus/(Deficit) for the year	2	**–**	**–**	**–**	**–**	**–**	**–**	**90 998**	**96 185**	**101 572**

EC156 Mhlontlo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	9 130	9 651	10 191
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	1 315	1 390	1 468
Service charges - other									–	–	–
Rental of facilities and equipment									41	44	46
Interest earned - external investments									483	511	539
Interest earned - outstanding debtors									4 064	4 296	4 536
Dividends received									–	–	–
Fines, penalties and forfeits									3 300	3 489	3 684
Licences and permits									–	–	
Agency services									–	–	–
Transfers and subsidies									163 311	172 620	182 286
Other revenue	2	–	–	–	–	–	–	–	167	177	187
Gains on disposal of PPE									15 397	16 274	17 186
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	**197 209**	**208 450**	**220 123**
Expenditure By Type											
Employee related costs	2	–	–	–	–	–	–	–	65 339	69 064	72 931
Remuneration of councillors									17 010	17 980	18 987
Debt impairment	3								–	–	–
Depreciation & asset impairment	2	–	–	–	–	–	–	–	14 336	15 153	16 001
Finance charges									–	–	–
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8								–	–	–
Contracted services		–	–	–	–	–	–	–	21 217	22 426	23 682
Transfers and subsidies		–	–	–	–	–	–	–	160	169	178
Other expenditure	4, 5	–	–	–	–	–	–	–	47 138	49 825	52 615
Loss on disposal of PPE									–	–	–
Total Expenditure		–	–	–	–	–	–	–	**165 200**	**174 616**	**184 395**
Surplus/(Deficit)		–	–	–	–	–	–	–	**32 009**	**33 834**	**35 728**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									58 989	62 351	65 843
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–	**90 998**	**96 185**	**101 572**
Taxation											
Surplus/(Deficit) after taxation		–	–	–	–	–	–	–	**90 998**	**96 185**	**101 572**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	–	**90 998**	**96 185**	**101 572**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		–	–	–	–	–	–	–	**90 998**	**96 185**	**101 572**

EC156 Mhlontlo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - MAYOR'S OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 2 - COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 3 - MUNICIPAL MANAGER'S OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 4 - STRATEGIC SERVICES OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 5 - BUDGET & TREASURY OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES DIRECTORATE		–	–	–	–	–	–	–	–	–	–
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 9 - INFRASTRUCTURE SERVICES DEPARTME		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1 - MAYOR'S OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 2 - COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 3 - MUNICIPAL MANAGER'S OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 4 - STRATEGIC SERVICES OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 5 - BUDGET & TREASURY OFFICE		–	–	–	–	–	–	–	507	535	565
Vote 6 - CORPORATE SERVICES DIRECTORATE		–	–	–	–	–	–	–	634	670	708
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	39	41	44
Vote 9 - INFRASTRUCTURE SERVICES DEPARTME		–	–	–	–	–	–	–	56 500	59 721	63 065
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**57 680**	**60 967**	**64 382**
Total Capital Expenditure - Vote		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**57 680**	**60 967**	**64 382**
Capital Expenditure - Functional											
Governance and administration		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1 141**	**1 206**	**1 273**
Executive and council											
Finance and administration									1 141	1 206	1 273
Internal audit											
Community and public safety		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**39**	**41**	**44**
Community and social services											
Sport and recreation											
Public safety									39	41	44
Housing											
Health											
Economic and environmental services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**56 500**	**59 721**	**63 065**
Planning and development											
Road transport									56 500	59 721	63 065
Environmental protection											
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources											
Water management											
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**57 680**	**60 967**	**64 382**
Funded by:											
National Government									57 680	60 967	64 382
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**57 680**	**60 967**	**64 382**
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**57 680**	**60 967**	**64 382**

EC156 Mhlontlo - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash									22 565	34 707	50 658
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	–	–	–	–	–	–	–	5 107	8 428	12 247
Other debtors									3 587	2 887	2 137
Current portion of long-term receivables											
Inventory	2								10 497	10 497	10 497
Total current assets		–	–	–	–	–	–	–	**41 757**	**56 519**	**75 540**
Non current assets											
Long-term receivables											
Investments											
Investment property									19 202	19 202	19 202
Investment in Associate											
Property, plant and equipment	3	–	–	–	–	–	–	–	753 172	795 627	840 459
Agricultural											
Biological											
Intangible									1 133	1 133	1 133
Other non-current assets											
Total non current assets		–	–	–	–	–	–	–	**773 507**	**815 962**	**860 794**
TOTAL ASSETS		–	–	–	–	–	–	–	**815 264**	**872 481**	**936 334**
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	–	–	–	–	–	–	–	2 674	2 674	2 674
Provisions									21 374	18 124	16 124
Total current liabilities		–	–	–	–	–	–	–	**24 048**	**20 798**	**18 798**
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		–	–	–	–	–	–	–	–	–	–
Total non current liabilities		–	–	–	–	–	–	–	–	–	–
TOTAL LIABILITIES		–	–	–	–	–	–	–	**24 048**	**20 798**	**18 798**
NET ASSETS	5	–	–	–	–	–	–	–	**791 216**	**851 683**	**917 536**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)									791 216	851 683	917 536
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	–	–	–	–	–	–	–	**791 216**	**851 683**	**917 536**

EC156 Mhlontlo - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									7 000	7 200	7 300
Service charges									500	520	540
Other revenue									8 992	9 505	10 037
Government - operating	1								163 311	172 620	182 286
Government - capital	1								58 989	62 351	65 843
Interest									4 064	4 296	4 536
Dividends									–	–	–
Payments											
Suppliers and employees									(176 920)	(187 005)	(197 477)
Finance charges									–	–	–
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	–	–	–	–	–	**65 936**	**69 487**	**73 066**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets									(51 841)	(54 796)	(57 864)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	–	–	–	**(51 841)**	**(54 796)**	**(57 864)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		–	–	–	–	–	–	–	**14 095**	**14 691**	**15 202**
Cash/cash equivalents at the year begin:	2								**1 000**	**15 095**	**29 787**
Cash/cash equivalents at the year end:	2	–	–	–	–	–	–	–	**15 095**	**29 787**	**44 989**

EC156 Mhlontlo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	15 095	29 787	44 989
Other current investments > 90 days		-	-	-	-	-	-	-	7 470	4 920	5 670
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22 565**	**34 707**	**50 658**
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	1 131	1 131	1 131
Unspent borrowing		-	-	-	-	-	-		-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	-	-	-	-	(6 415)	(8 691)	(11 243)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5								5 000	5 285	5 581
Total Application of cash and investments:		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(284)**	**(2 275)**	**(4 531)**
Surplus(shortfall)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22 849**	**36 982**	**55 190**

EC156 Mhlontlo - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
Total New Assets	1	–	–	–	–	–	–	**23 680**	**25 029**	**26 431**
Roads Infrastructure		–	–	–	–	–	–	5 849	6 182	6 529
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	3 739	3 952	4 173
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	***9 588***	***10 135***	***10 702***
Community Facilities		–	–	–	–	–	–	1 500	1 586	1 674
Sport and Recreation Facilities		–	–	–	–	–	–	11 451	12 104	12 782
Community Assets		–	–	–	–	–	–	***12 951***	***13 689***	***14 456***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	**507**	**535**	**565**
Furniture and Office Equipment		–	–	–	–	–	–	**634**	**670**	**708**
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets	6	–	–	–	–	–	–	**20 000**	**21 140**	**22 324**
Roads Infrastructure		–	–	–	–	–	–	20 000	21 140	22 324
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	***20 000***	***21 140***	***22 324***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–

EC156 Mhlontlo - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Total Capital Expenditure	4									
Roads Infrastructure		–	–	–	–	–	–	25 849	27 322	28 852
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	3 739	3 952	4 173
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	***29 588***	***31 275***	***33 026***
Community Facilities		–	–	–	–	–	–	1 500	1 586	1 674
Sport and Recreation Facilities		–	–	–	–	–	–	11 451	12 104	12 782
Community Assets		–	–	–	–	–	–	***12 951***	***13 689***	***14 456***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	507	535	565
Furniture and Office Equipment		–	–	–	–	–	–	634	670	708
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		–	–	–	–	–	–	**43 680**	**46 169**	**48 755**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure								563 185	582 927	603 775
Storm water Infrastructure										
Electrical Infrastructure								24 852	43 561	63 318
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure								6 575	6 575	6 575
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		–	–	–	–	–	–	***594 613***	***633 064***	***673 668***
Community Facilities								30 044	30 467	30 914
Sport and Recreation Facilities								49 200	54 917	60 953
Community Assets		–	–	–	–	–	–	***79 245***	***85 384***	***91 866***
Heritage Assets								**211**	**211**	**211**
Revenue Generating										
Non-revenue Generating								19 202	19 202	19 202
Investment properties		–	–	–	–	–	–	***19 202***	***19 202***	***19 202***
Operational Buildings								48 798	46 798	44 686
Housing										
Other Assets		–	–	–	–	–	–	***48 798***	***46 798***	***44 686***
Biological or Cultivated Assets										
Servitudes										
Licences and Rights								1 133	1 133	1 133
Intangible Assets		–	–	–	–	–	–	***1 133***	***1 133***	***1 133***
Computer Equipment								**445**	**997**	**1 579**
Furniture and Office Equipment								**6 077**	**6 391**	**6 722**
Machinery and Equipment								**122**	**122**	**122**
Transport Assets								**23 661**	**22 661**	**21 605**
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	–	–	–	–	–	**773 296**	**815 751**	**860 583**

EC156 Mhlontlo - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE OTHER ITEMS										
Depreciation	7	–	–	–	–	–	–	–	–	–
Repairs and Maintenance by Asset Class	3	–	–	–	–	–	–	5 700	6 025	6 362
Roads Infrastructure		–	–	–	–	–	–	4 200	4 439	4 688
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	*4 200*	*4 439*	*4 688*
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	1 500	1 586	1 674
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	*1 500*	*1 586*	*1 674*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		–	–	–	–	–	–	5 700	6 025	6 362
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*45.8%*	*45.8%*	*45.8%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.8%*	*0.8%*	*0.8%*
Renewal and upgrading and R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*3.0%*	*3.0%*	*3.0%*

EC156 Mhlontlo - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	1 180	1 180	1 180
Minimum Service Level and Above sub-total		–	–	–	–	–	–	1 180	1 180	1 180
Removed less frequently than once a week		–	–	–	–	–	–	258	258	258
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	258	258	258
Total number of households	5	–	–	–	–	–	–	**1 438**	**1 438**	**1 438**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	750	750	750
Refuse (removed at least once a week)		–	–	–	–	–	–	265	265	265
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	1 930	2 040	2 154
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	2 727	2 882	3 044
Total cost of FBS provided		–	–	–	–	–	–	**4 657**	**4 922**	**5 198**
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–

CHAPTER 4

DEPARTMENTAL BUDGETS

DEPARTMENTAL SUMMARY					
DEPARTMENT	**EMPLOYEE COSTS**	**GENERAL EXPENSES**	**REPAIRS AND MAINTANENCE**	**TOTAL OPEX**	**E**
MAYOR'S OFFICE	834 614.37	1 365 079.21	37 181.88	**2 236 875.46**	
COUNCIL	16 833 379.44	13 674 393.27	32 692.96	**30 540 465.66**	
MUNICIPAL MANAGER	4 945 368.90	5 536 865.87	-	**10 482 234.76**	
STRATEGIC SERVICES	6 750 822.40	5 090 927.91	-	**11 841 750.31**	
CORPORATE SERVICES	19 551 795.84	9 481 782.54	19 611.28	**30 573 987.71**	
BUDGET AND TREASURY	13 521 042.64	14 930 887.18	75 716.76	**28 527 646.58**	
LED,PLANNING & RD	7 797 707.35	7 249 259.25	7 000.00	**15 053 966.60**	
REFUSE REMOVAL	14 548 613.88	5 566 466.02	318 832.12	**20 433 912.03**	
TRAFFIC DEPARTMENT	8 841 954.27	7 755 815.98	-	**16 597 770.25**	
POUND	3 962 565.50	210 450.82	-	**4 173 016.32**	
ID	8 273 603.18	16 810 632.25	1 714 979.74	**26 799 215.18**	
PMU	4 632 763.04	12 199 548.45		**16 832 311.48**	
TOTAL BUDGET	**110 494 230.80**	**99 872 108.76**	**2 206 014.74**	**212 572 354.30**	

CHAPTER 5
OVERVIEW OF THE ANNUAL BUDGET PROCESS

The entire budget process is prescribed by the Municipal Finance Management Act.

Section 21(1) (b) of the MFMA requires the mayor to table not later than 10 months before the start of the budget year a time schedule outlining the key deadlines and processes for the preparation, tabling and approval of the Annual Budget, the review of the IDP and budget related policies and any consultation process which would be part of the process.

The time schedule was tabled to the Council on 29 August 2016.

.

The consultation process involves presenting and eliciting comments from the public by Ward and by placing an advert in the local press requesting budget input.

The following stakeholders are identified:

1 community
2 senior management
3 the work force
4 trade unions
5 rate payers association/agricultural forums
6 general public and interested parties
7 district municipality
8 national and provincial sector departments

Prescribed forms have been developed for both operating and capital inputs.

A Draft Budget is prepared, based on budget assumption where after the eagerly awaited Division of Revenue is received during February and published the grant and subsidy allocation in terms of which budget parameters are set or adjusted. Information from other sources, District Councils and Provincial Authorities are confirmed. Any surplus capacity is consumed.

During this time the IDP process has started with steering committee meetings as well as public consultation to primary confirm and re-affirm priorities as well as to disclose any new development. Critical to this process is capital project funding in terms of MIG. The IDP and Budget, as policy documents are reflected against each for purpose of IDP preparation and budget finalization.

The draft budget is then tabled to Council and then council authorizes that the budget is made public for comment. Once this period closes the comments received are once again considered and adjustments are brought about to produce a final budget for adoption by Council.

Political oversight of the process

The schedule of key deadlines was submitted to management meeting to monitor the progress of the process by officials against the schedule tabled by the Mayor. The Mayor was regularly informed on the progress.

Consultations & advertisements

Advertisements will be placed in the local newspapers circulating in the area of jurisdiction and district informing the community of the approval of the budget.

A formal process of consultation will have to be conducted after the draft budget & IDP is approved by Council.

This will be done through the following methods:

- The draft budget will be made public by making it available at Mhlontlo Municipality's offices and on the website
- Notices will be published in local newspapers in the area inviting members of the public to submit representations on the budget.
- Community meetings in all wards

Community hearings will be conducted in all areas.

Stakeholders

The following stakeholders have been consulted:

- National Treasury
- Provincial Treasury
- Provincial sector departments
- District municipality
- Community

CHAPTER 6

ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

INPUTS TO THE 2017/2018 IDP

The process focussed on:

- Improving the **strategic nature** of the document, thereby ensuring effective use of available data, careful consideration of available resources, as well as exploring locally appropriate solutions to complex development issues.
- Increasing the usefulness of the document during **implementation** and monitoring.

The process was influenced by:

- Project progress information as provided by Heads of Departments
- An extensive data search to update the analysis chapter.
- Inputs from community based planning initiatives

The alignment of the IDP with the budget is illustrated in schedules SA4, SA5, SA6. The schedules are attached.

These allocations are to link up with the Service Delivery and Budget Implementation plan. A Service Delivery and Budget Implementation Plan has been developed and is tabled with the budget to Council. The final SDBIP needs to be approved within 28 days after the adoption of the budget. KPA's and KPI's have been developed and strategic alignment between IDP, Budget and SDBIP is ascertain.

CHAPTER 7

MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The SDBIP is tabled as separate document together with the budget.

CHAPTER 8

BUDGET RELATED POLICIES

The prioritization of service delivery and the management of council functions is the key to the budget. Mhlontlo municipality's budget process is guided and governed by legislation regulations and budget related policies.

Mhlontlo Municipality embarked on a process of reviewing all financial and budget related policies during the budget process for 2017/18 financial year.

These policies need to be enacted into by-laws thereby enabling council to undertake its revenue collection effort to court and further securing income generation.

Tariff Policy

The Municipal Systems Act requires a municipality to have a tariff policy. One of the challenges in setting tariffs is ensuring affordable tariffs whilst maintaining financial stability.

The tariff policy tries to address this issue and creates a foundation for the principles that address social, economic and financial imperatives that the process of tariff setting should take into account.

Changes proposed: The policy was updated to ensure alignment with the tariffs charged

Rates policy

Mhlontlo Municipality has adopted a rates policy which is line with legislative requirements. The policy became effective 01 July 2009 and was reviewed during 2017/18

The policy provides that properties be rated based on their market value. The process of compiling a new valuation roll for 2019 financial year has not

Changes proposed: No changes proposed on policy

Indigent Policy

Mhlontlo municipality is committed to ensure that all households have access to its services. Due to the fact that the Municipality has a high level of unemployment the municipality decided to adopt an indigent policy. This policy will ensure that poor households have at least access to basic services.

Changes proposed: No changes proposed on policy

Supply Chain Management Policy

Municipalities are required in terms of section 111 of MFMA to have a supply chain management policy. Mhlontlo Municipality has a policy within the framework of the legislation. The policy adheres to the following principles:

- Procurement system which is fair, equitable, transparent, competitive and cost effective in terms of section 217 of the Constitution
- Best practice within supply chain management
- Uniformity in supply chain management systems between organs of state in all spheres

The policy has been reviewed during the 2017/18 financial year.

Changes proposed: Inclusion of the requirements of Preference Procurement Regulations

Credit control and debt management policy

The credit control policy of Mhlontlo Municipality was reviewed during 2017/2018. This policy provides the procedures and mechanisms for credit control and collection of debts. The primary objective is to ensure that all monies due to the municipality are collected efficiently and promptly.

Changes proposed: Update on the deposit policy annexure to include new tariffs

Banking and Investment policy

As custodians of public funds, the Council has an obligation to see to it that cash resources are managed as effectively as possible. Council has a responsibility to invest public funds with great care and are liable to the community in that regard.
The investment policy should be aimed at gaining the highest possible return without undue risk during those periods when funds are not needed. To bring this about, it is essential to have an effective cash flow management program.

Changes proposed: No cash payments will be accepted

Asset management policy

The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Fixed Assets) owned or controlled by municipality.

Changes proposed: No changes proposed on policy

Virement policy
No changes proposed

CHAPTER 9

BUDGET ASSUMPTIONS

The budget for the 2017/2018 financial year was drawn up with the following assumptions and principles taken into account:

- The budget is prepared in terms of the provisions of the Generally Recognised Accounting Practice framework to comply with the provisions of the MFMA
- Revenue figures are based on realistic estimates of revenue to be collected.
- Actual revenue collected for the current year and realistic revenue projections were taken into account in determining the revenue for the coming year.
- The principals of economic viability and sustainability is applied in all services and where possible no cross subsidization is done between services.
- National growth parameters were used as far as possible for the determination of outer year budget amounts.
- A general salary increase of 7.36 % is used for the determination of the salaries of staff ,Public office bearers and Senior Management
- The Municipality still relies heavily on grants and subsidies for funding of the capital requirements for the 2017/2018 financial year and does not possess the financial capacity to raise capital from own revenue sources.
- Only funded capital projects are included in the capital estimates for the 2017/2018 financial year.
- Both the capital and operating budgets are informed by the IDP process done through a public participation process.

CHAPTER 10

BUDGET FUNDING

FUNDING OF OPERATING EXPENDITURE

Operating expenditure to the amount of R238 Million is funded through the following sources:

REVENUE			
ITEM	**2016/2017**	**2017/2018**	Difference
Grants			
Equitable Share	154 313 000.00	159 379 000.00	5 066 000.00
Financial Management Grant	2 010 000.00	2 345 000.00	335 000.00
Municipal System Improvement Grant	-	-	-
EPWP	1 232 000.00	1 417 000.00	185 000.00
Library	170 000.00	170 000.00	-
INEP	12 500 000.00	14 000 000.00	1 500 000.00
MIG	41 660 000.00	44 989 000.00	3 329 000.00
DEDEAT	1 000 000.00	-	-
Tsitsa	500 000.00	-	-
SETA	1 005 478.23	-	-1 005 478.23
TOTAL GRANT ALLOCATIONS	**214 390 478.23**	**222 300 000.00**	**9 409 521.77**
OWN REVENUE			
Property Rates	33 772 278.51	9 130 346.56	**-24 641 931.95**
Refuse	1 274 820.60	1 314 839.57	**40 018.97**
Interest Billed on outstanding debts	598 930.92	483 329.50	**-115 601.42**
Interest on Investments	3 819 623.64	4 064 079.55	**244 455.91**
Rental of facilities	38 769.72	41 250.99	**2 481.26**
Other	17 113 766.64	18 870 735.12	**1 756 968.48**
TOTAL	**56 618 190.04**	**33 904 581.30**	**-22 713 608.74**
TOTAL REVENUE	**271 008 668.27**	**256 198 066.30**	**14 810 601.97**

Total revenue - R 256 198 066.30
Total Expenditure - R 256 198 066.30
Net Budgeted deficit - R 0

Operating revenue raised is budgeted bearing in mind a 64% debtors payment percentage, should actual payment rates be lower, a downward adjustment of the expenditure needs to be done through a budget control process.

Outstanding debtors will be handed over to attorneys and debt collection agencies to assist the municipality in collecting outstanding monies. It is because of this process that management feels confident that a 64% collection rate can be obtained.

FUNDING OF CAPITAL EXPENDITURE

Capital expenditure for the 2017/2018 financial year amounts to R 43 664 712.40 and is funded as follows:

- Grants and subsidies received - R 43.6 million

FISCAL SUSTAINABILITY OF THE MUNICIPALITY

The budget is compiled with the assumption of a 64% debtors payment rate, the current debtors payment rate is approximately 2%.

Budget control is exercised in order to ensure that operating expenditure does not exceed actual operating revenue received. The current revenue levels are sufficient to ensure the sustainable rendering of services and the execution of the constitutional mandate in the short and medium term. The municipality is currently struggling to service all of its current commitments and continue as a going concern.
The credit control policy will be strictly enforced in the 2017/2018 financial year to ensure that all monies due to the municipality is collected in further contribution to the sustainable rendering of services. Incentives are available to consumers/ratepayers in arrears should accounts be settled or arrangements for the settlement of long outstanding debt be concluded.

FINANCIAL CHALLENGES AND CONSTRAINTS

Mhlontlo Municipality faces the following financial challenges:

1) Achieving financial stability in the medium term and long term
2) Dependence on grant funding
3) Acceptable level of tariff increases – trying to balance financial sustainability and Affordability
4) Managing cost
5) Exploring alternative revenue sources
6) High indigent registration

In order to address the first challenge, the municipality will have to approach Provincial Treasury for assistance. Provincial Treasury will assist with drafting a recovery plan which will be implemented and constantly monitored.

FINANCIAL RISKS

Financial risks include:

- Changes in inflation rate and other variables
- Unemployment trends
- Global financial instability

FUNDING COMPLIANCE IN TERMS OF SECTION 18 OF THE MFMA

In compliance with the requirements of Section 18 of the MFMA, the revenue budget was based on the following principles:

- Realistically anticipated revenue to be collected.
- Projected revenue for the current year is based on collection levels to date.
- Actual revenue of previous years was taken into account.
- Capital projects were only included if funding confirmation was received, either by means of the DORA allocations as promulgated or by means of commitment from funding institutions.

PARTICULARS OF PLANNED SAVINGS OVER THE MEDIUM TERM

The principle of value adding in all aspects of the administration and service rendering is applied and no expenditure is incurred unless value is added to the municipal administration or services. Care is taken in administrative and supply chain processes to ensure that real economic benefit flows to the municipality as a result of funds being spent.

The following expenditure items are closely monitored:

- Travelling and subsistence
- Telephone expenses.
- Overtime and standby allowances
- Workshops and conferences.
- Fuel and maintenance expenditure in respect of service delivery vehicles

CONTRIBUTIONS OR DONATIONS IN CASH OR IN-KIND

No donations are budgeted for the 2017/2018 financial year..

PARTICULARS OF THE MUNICIPALITY'S INVESTMENTS

None

PARTICULARS OF BANK OVERDRAFTS AND CREDIT FACILITIES

None

PARTICULARS OF NEW AND EXISTING BORROWINGS

None

PARTICULARS OF GRANTS AND SUBSIDIES RECEIVED (See above revenue trends)

CHAPTER 11

ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

No allocations will be made to any other municipality, any organ of state or any organization or bodies outside any sphere of government as referred to in section67(1) of the Act.

CHAPTER 12
ALLOCATIONS AND GRANTS TO BE RECEIVED BY THE MUNICIPALITY

It is anticipated that the municipality will receive R25.449 million in operating grants and R43.539 in capital grants.

The municipality is heavily reliable on grant funding especially for capital expenditure. 100% of capital acquisitions will be funded from grants. Operational grant funding constitutes 73% of the total operating income of the municipality.

ITEM	**2016/2017**	**2017/2018**	Difference
Grants			
Equitable Share	154 313 000.00	159 379 000.00	5 066 000.00
Financial Management Grant	2 010 000.00	2 345 000.00	335 000.00
Municipal System Improvement Grant	-	-	-
EPWP	1 232 000.00	1 417 000.00	185 000.00
Library	170 000.00	170 000.00	-
INEP	12 500 000.00	14 000 000.00	1 500 000.00
MIG	41 660 000.00	44 989 000.00	3 329 000.00
DEDEAT	1 000 000.00	-	-
Tsitsa	500 000.00	-	-
SETA	1 005 478.23	-	-1 005 478.23
TOTAL GRANT ALLOCATIONS	**214 390 478.23**	**222 300 000.00**	**9 409 521.77**

EC156 Mhlontlo - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		–	–	–	–	–	–	**163 141**	**172 440**	**182 097**
Local Government Equitable Share								159 379	168 464	177 898
Municipal Systems Improvement								–	–	–
Finance Management								2 345	2 479	2 617
EPWP Incentive								1 417	1 498	1 582
Provincial Government:		–	–	–	–	–	–	**170**	**180**	**190**
Library & Subsidies								170	180	190
Vuna Award								–	–	–
Gqunu Lots								–	–	–
EPWP Incentive								–	–	–
LED								–	–	–
0										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	–	–	–	–	–	–	**163 311**	**172 620**	**182 286**
Capital Transfers and Grants										
National Government:		–	–	–	–	–	–	**58 989**	**62 351**	**65 843**
Municipal Infrastructure Grant (MIG)								44 989	47 553	50 216
Integrated National Electrification Programme								14 000	14 798	15 627
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	–	–	–	–	–	–	**58 989**	**62 351**	**65 843**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		–	–	–	–	–	–	**222 300**	**234 971**	**248 129**

EC156 Mhlontlo - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	**163 141**	**172 440**	**182 097**
Local Government Equitable Share								159 379	168 464	177 898
Municipal Systems Improvement								–	–	–
Finance Management								2 345	2 479	2 617
EPWP Incentive								1 417	1 498	1 582
0										
Provincial Government:		–	–	–	–	–	–	**170**	**180**	**190**
Library & Subsidies								170	180	190
EPWP Incentive								–	–	–
LED								–	–	–
0										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants		–	–	–	–	–	–	**163 311**	**172 620**	**182 286**
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	**58 989**	**62 351**	**65 843**
Municipal Infrastructure Grant (MIG)								44 989	47 553	50 216
Integrated National Electrification Programme								14 000	14 798	15 627
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		–	–	–	–	–	–	**58 989**	**62 351**	**65 843**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	–	–	–	–	–	**222 300**	**234 971**	**248 129**

EC156 Mhlontlo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts								163 141	172 440	182 097
Conditions met - transferred to revenue		–	–	–	–	–	–	163 141	172 440	182 097
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts								170	180	190
Conditions met - transferred to revenue		–	–	–	–	–	–	170	180	190
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		–	–	–	–	–	–	163 311	172 620	182 286
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts								58 989	62 351	65 843
Conditions met - transferred to revenue		–	–	–	–	–	–	58 989	62 351	65 843
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		–	–	–	–	–	–	58 989	62 351	65 843
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		–	–	–	–	–	–	222 300	234 971	248 129
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	–	–	–	–	–	–

CHAPTER 13
ANNUAL BUDGET AND SDBIP – DEPARTMENTS

A top level service delivery and budget implementation plan is included in the budget documentation. The SDBIP is indicative of service delivery targets for the 2017/18 financial year. Emphasis is placed on the sustaining of current services and further enhancement if service delivery to all communities.

CHAPTER 14
CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

There are no contracts with future budgetary implications

CHAPTER 15
LEGISLATIVE COMPLIANCE

The Municipal Finance Management Act brought about uniformity, accountability and control measures to local government in terms of financial reporting and budgeting. The Act required a high level of transformation financial disciplines and planning.

New budget regulations were published in Gazette nr. 32141 on 17 April 2009. The object of these regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process. The 2015/2016 budgets for all municipalities needs to comply with these regulations.

Challenges experienced:

Although the financial system has the capabilities of generating the budget schedules, problems were experienced with regards to the accuracy of the information generated. The new Mscoa business reform is quite challenging to understand.

The MFMA regulates monthly and quarterly reports to be submitted to National Treasury. A significant improvement was noted during the 2016/17 financial year with regards to the submission of S71 report.

ANNEXURES

Annexure A – Tariff listing

PROPOSED TARIFF STRUCTURE - 2017/2018 FINANCIL YEAR

	WITHOUT VAT	Old Tariff	Old Tariff	Proposed New Tariff Vat Excluded	Proposed Tariff Vat Excluded	Proposed Tariff Vat Excluded
1	**REFUSE REMOVAL CHARGES**	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
1.1	*Government*					
(a)	Each property shall be charged a basic service charge per month.	126.39	R 215.57	R 229.37	R 242.44	R 256.02
(b)	*Hospitals*	183.60	R 313.15	R 333.19	R 352.18	R 371.91
1.2	*Domestic Removals*					
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee per month.	R 30.12	R 51.37	R 54.66	R 57.77	R 61.01
1.3	*Commercial Removals*					
(a)	Each individual/separate business shall be charged a basic service charge per month.	R 126.39	R 319.80	R 340.27	R 359.66	R 379.80

1.4	*Availability Charge* A availability fee , is charged to any vacant commercial erven located in the town areas of Tsolo and Qumbu	0	R 127.92	R 136.11	R 143.86	R 151.92
3	**POUND FEES**					
	Pound Fees Description of animal					
	Donkeys, Horses, Cattle, per head per day		R 74.62	R 79.40	R 83.92	R 88.62
	Pigs		R 319.80	R 340.27	R 359.66	R 379.80
	Sheep and Goats, per head per day		R 53.30	R 56.71	R 59.94	R 63.30
3	**CEMETERY CHARGES** The following fees shall be payable to the Council in respect of burials and other services in the public cemetery.					
3.2	*Burial Fees*					
(a)	Adult – single		R 564.98	R 601.14	R 635.40	R 670.99
	Adult – double		R 962.28	R 1 023.87	R 1 082.23	R 1 142.83
(b)	Child		R 266.50	R 283.56	R 299.72	R 316.50
3.3	*Miscellaneous Charges*					
(a)	Exhumation of body		R 3 198.00	R 3 402.67	R 3 596.62	R 3 798.04
				R 0.00	R 0.00	0
(b)	Widening or deepening of grave		R 266.50	R 283.56	R 299.72	R 316.50
				R 0.00	R 0.00	0
(c)	Permit to erect a memorial		R 746.20	R 793.96	R 839.21	R 886.21

3.4	Fees for non-residents of the municipal area shall be the prescribed fees in (6.1) and (6.2) above, **plus 50%**					
3.5	After hours burial request as in (6.1) **plus 100%**		R 1 599.00	R 1 701.34	R 1 798.31	R 1 899.02
	At least 16 working hours notice must be given of a burial					
4	**PUBLIC HALLS TARIFF**					
4.1	*Comm*					
(a)	Main hall and kitchen per 12 hour period per day.					
	Church Function		R 339.63	R 361.37	R 381.96	R 403.35
	Wedding Function		R 1 698.14	R 1 806.82	R 1 909.81	R 2 016.76
	Business Function		R 1 698.14	R 1 806.82	R 1 909.81	R 2 016.76
4.2	Where the hall is hired there shall first be deposited with the Chief Financial Officer the following amounts which amounts shall be refunded when the premises is handed over in satisfactory condition.		R 1 066.00	R 1 134.22	R 1 198.87	R 1 266.01
5	**MISCELLANEOUS SERVICES**					
	Sundry Charges					
5.1	Search Fees					
(a)	Other than from the Minutes of proceedings of the Council, for any document or information required dated back:		R 31.70	R 33.73	R 35.65	R 37.65
5.2	Copy of valuation roll					
5.3	Copy of voters roll (per ward)					
5.4	Rates clearance certificates as laid down in Section 175(2) of Ordinance No. 25 of 1974		R 32.26	R 34.32	R 36.28	R 38.31
5.11	*Rezoning applications*					

	Fees payable shall not exceed the following maximum amounts:					
	Areas of land being rezoned					
(a)	Area of land to be rezoned 0-2500m2		R 1 694.94	R 1 803.42	R 1 906.21	R 2 012.96
5.12	Vehicle pound fees on all impounded vehicles per vehicle per day **plus tow-in costs**					
	Impounded vehicles not released within 90 (ninety) days will be sold.					
6	**BUSINESS LICENSES**					
6.1	Food Vendors in caravans & carts or similar vessel		319.80	R 340.27	R 359.66	R 379.80
6.2	General Dealers		1 066.00	R 1 134.22	R 1 198.87	R 1 266.01
6.3	Supermarkets, Wholesalers & Butcheries		1 279.20	R 1 361.07	R 1 438.65	R 1 519.21
6.4	Restaurants, B&B's, Hotels, Guest Houses, Lodges		1 066.00	R 1 134.22	R 1 198.87	R 1 266.01
6.5	Spaza Shops		319.80	R 340.27	R 359.66	R 379.80
6.6	Funeral Parlours		1 066.00	R 1 134.22	R 1 198.87	R 1 266.01
6.7	Hawker License: Trucks & Bakkies		213.20	R 226.84	R 239.77	R 253.20
6.8	Hawker License: Street Vendors		85.28	R 90.74	R 95.91	R 101.28
6.9	Hawker License: (Special Application – Events)		106.60	R 113.42	R 119.89	R 126.60
6.1	Clothing Shops		319.80	R 340.27	R 359.66	R 379.80
6.11	Hardware		1 066.00	R 1 134.22	R 1 198.87	R 1 266.01
6.12	Garages		1 066.00	R 1 134.22	R 1 198.87	R 1 266.01

6.13	Livestock Sales		533.00	R 567.11	R 599.44	R 633.01
6.14	Car wash		319.80	R 340.27	R 359.66	R 379.80
6.15	Laundromat/Dry Cleaning		319.80	R 340.27	R 359.66	R 379.80
6.16	Financial Institution		2 132.00	R 2 268.45	R 2 397.75	R 2 532.02
6.17	Beauty Parlour: Hair Salons, Barber Shops etc		319.80	R 340.27	R 359.66	R 379.80
6.18	Furniture Shops		1 066.00	R 1 134.22	R 1 198.87	R 1 266.01
6.19	Legal Practice		533.00	R 567.11	R 599.44	R 633.01
6.2	Surgeries		533.00	R 567.11	R 599.44	R 633.01
6.21	Transport Industry		213.20	R 226.84	R 239.77	R 253.20
6.22	Liquor: Bottle Stores, Taverns		1 066.00	R 1 134.22	R 1 198.87	R 1 266.01
6.23	Book Shops		692.90	R 737.25	R 779.27	R 822.91
6.24	Brokers: Insurance, Estate agents etc		533.00	R 567.11	R 599.44	R 633.01
8	**ASSESMENT RATES**					
7.1	*Residential* First R30 000 discount	0.006240	0.006627	0.007051	0.007452907	0.00787027
7.2	*Vacant Land*		0.006627	0.007051	0.007452907	0.00787027
7.3	*Commercial*	0.013758	0.014611	0.0155461	0.016572142	0.017599615
7.4	*Government*					

		0.0275159	0.0292219	0.00176275	0.001879092	0.001995595
7.5	*Farms* Apply for R30 000 residential discount.	0.0198642	0.0210958	0.00176275	0.001879092	0.001995595
8	**NATURE RESERVE**					
8.1	**Accommodation**					
	1 bed chalet per day		R 106.60	R 113.42	R 119.89	R 126.60
	Camping fee		R 63.96	R 68.05	R 71.93	R 75.96
	non refundable application fee per board/sign (annually)					
	+ Approval fee per aplicant		R 159.90	R 170.13	R 179.83	R 189.90
9.1	**Ground Signs**					
	non refundable application fee per board/sign (annually)					
	+ Approval fee per aplicant		R 319.80	R 340.27	R 359.66	R 379.80
9.2	**Wall Sign – Flat**		R 53.30	R 56.71	R 59.94	R 63.30
	non refundable application fee per board/sign (annually)					

Section 16 – Municipal Manager's quality certification

QUALITY CERTIFICATE

I, S.G. Sotsongaye, the Municipal Manager of Mhlontlo Local Municipality hereby certify that:-
The annual budget for the 2017/2018 financial year has been prepared in accordance the Municipal Finance Management Act and the regulations made under the Act.

Name: Sibongile Goodman Sotshongaye
Municipal Manager of Mhlontlo Local Municipality

Signature …….

Date…….